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# EnLink Midstream Partners LP (ENLK)

Q1 2017 Earnings Call

### CORPORATE PARTICIPANTS

#### Kate Walsh

Vice President -Investor Relations and Tax, EnLink Midstream Partners I P

#### Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

#### Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP

#### Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

#### McMillan Hummel

EVP & President-Natural Gas Liquids and Crude Oil Business, EnLink Midstream Partners LP

#### Steve J. Hoppe

EVP & President-Gas Gathering, Processing and Transportation Business, EnLink Midstream Partners LP

### OTHER PARTICIPANTS

#### Darren C. Horowitz

Analyst, Raymond James & Associates, Inc.

#### **David Meagher Amoss**

Analyst, Heikkinen Energy Advisors LLC

#### Brian Brungardt

Analyst, Stifel, Nicolaus & Co., Inc.

#### Robert Balsamo

Analyst, FBR Capital Markets & Co.

#### Matthew Phillips

Analyst, Guggenheim Securities LLC

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#### Ethan Heyward Bellamy

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#### Christopher Paul Sighinolfi

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#### Craig K. Shere

Analyst, Tuohy Brothers Investment Research, Inc.

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#### Barrett Blaschke

Analyst, MUFG Securities America, Inc.

### MANAGEMENT DISCUSSION SECTION

**Operator**: Ladies and gentlemen, thank you for standing by. Welcome to EnLink Midstream First Quarter 2017 Earnings Call. All participants will be in a listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note that this call is being recorded today, Wednesday, May 3, 2017 at 10 AM Eastern Time.

I would now like to turn the meeting over to Kate Walsh, Vice President of Investor Relations. Please go ahead.

#### Kate Walsh

Vice President -Investor Relations and Tax, EnLink Midstream Partners LP

Thank you, and good morning, everyone. Thank you for joining us today to discuss EnLink Midstream's first quarter 2017 results. Participating on the call today are Barry Davis, Chairman and Chief Executive Officer; Mike Garberding, President and Chief Financial Officer; Steve Hoppe, President of the Gas Gathering Processing and Transportation Business; Mac Hummel, President of the Natural Gas Liquids Crude and Condensate Business; and Ben Lamb, Executive Vice President of Corporate Development.

As you saw, we issued our earnings release yesterday and filed our Form 10-Q with the SEC earlier this morning. To accompany today's call, we have posted the earnings release and the operations report in the Investor Relations portion of our website. Shortly after today's call, we will also make available, a webcast replay of this call on our website.

I will remind you that any statements made about the future, including our expectations or predictions, should be considered forward-looking statements within the meaning of the Federal Securities Laws. Forward-looking statements are subject to a number of assumptions and uncertainties that may cause our actual results to differ materially from those expressed in these statements, and we undertake no obligation to update or revise any forward-looking statements.

We will discuss certain non-GAAP financial measures, and you will find definitions of these measures as well as reconciliations of these non-GAAP measures to comparable GAAP measures in our earnings release. We encourage you to review the cautionary statements and other disclosures made in our SEC filings, specifically those under the heading, Risk Factors.

The structure of the call will be to start with prepared remarks by Barry Davis and Mike Garberding and then leave the remainder of the call open for a question-and-answer period.

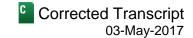
With that, I would now like to turn the call over to Barry Davis.

#### Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Thank you, Kate, and good morning, everyone. Thank you all for joining us today. EnLink performed well in the first quarter as we delivered solid financial results [ph] besides (02:35) new long-term fee-based contracts and brought online, three large-scale, organic projects in our core growth areas.

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Our success this quarter continues the momentum we had exiting 2016, and adds to the solid foundation we created for executing our long-term vision for EnLink. This long-term vision is centered on delivering results and driving growth by being in the right places with the right partners and executing with excellence. We are working diligently to further develop our services across the commodity chain including natural gas, natural gas liquids and crude oil, and working to expand our range of midstream services within each commodity.

Our execution strategy is laser focused on achieving these goals, all while maintaining our strong capital position and investment grade profile. Maintaining a strong balance sheet is a priority for us and we are pleased with the recent recognition from Moody's with their upgrade of our Corporate Family Rating from Ba2 to Ba1, and the affirmation of a stable outlook.

As I think about all that is underway at EnLink today and the progress we've achieved, I see three main keys to our success. First, we are operating with size, scale and quality assets in the right places including the top basins and markets in the U.S.

Second, our network of producers and customers is second to none in each of these basins and markets. What this means is, we have the right partners.

And third, our proven track record of driving growth and delivering results across our asset platform is integral to our success. At EnLink, we execute with excellence. And it's these three keys to success that I believe are important to take away from our discussion today. EnLink is in the right places, with the right partners and is executing with excellence, all of which are critical for us to deliver the results and drive the growth that we set out to achieve. Now I'd like to expand a bit on each of these three points.

It all starts with being in the right places. Today, EnLink is focused on five core areas, the STACK in Central Oklahoma, the Delaware and Midland basins of the Permian, Louisiana and the Barnett Shale. We are fortunate to have a meaningful leading footprint in each of these areas and have an unwavering confidence that these are the right places for EnLink to be positioned, as we execute our growth plans and achieve our objectives.

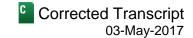
As a growing midstream service provider, it's critical to be where the activity is and today, more than half of the total U.S. rigs are located in the STACK and Permian Basins.

In the core areas where we are positioned, oil-weighted breakeven prices are around \$30 per barrel, making economics very attractive. At today's prices, the resulting rates of return are in the range of 80% to 100%. These attractive economics are driving drilling programs to areas that EnLink is positioned to serve.

Today, we have one of the best positions in the STACK, both in terms of our infrastructure and diverse and active customer base. Key producers in the area are benefiting from successful delineation work resulting in an expanding resource base. Leading producers in the STACK are testing spacing profiles in the multiple landing zones at the Meramec and Woodford formations, as well as evaluating the Osage, Oswego and Sycamore formations.

These spacing tests as well as exploratory work outside of core STACK counties has resulted in multi-decade drilling inventories on acreage dedicated to EnLink. Development of this acreage continues to accelerate and has been impressive today. Rigs have doubled on EnLink's acreage from 11 one year ago, to 22 rigs today. In Louisiana, EnLink has a leading natural gas infrastructure footprint proven by the strong throughput volumes we handle and the amount of pipeline and storage we own and operate.

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While rig count growth supports the spectrum of opportunity in Central Oklahoma and the Permian, the scale of the LNG capacity and industrial consumption provide gas-related opportunities in Louisiana. We are uniquely positioned to serve the growing demand, given our strategic asset base that stretches along the Louisiana coast and include salt dome storage and ownership and operation of the Henry Hub.

Additionally, with the redundancy of natural gas pipelines that we own in Louisiana, we have the unique opportunity for accretive conversions of pipe into alternative commodity services. Our Louisiana opportunities extend into NGLs as approximately 1/4 of total U.S. steam cracker capacity is currently operating in the state and that demand figure is growing.

Our Cajun-Sibon system brings much needed NGL supplies into the region and our expensive asset base serves these growing demand market and customers. We are confident that we will continue to benefit as that market grows.

The second component of our success is teaming with the right partners. We have customers that are experts in the areas where they operate, are diversified and are financially strong such as they can manage and maintain activities throughout cycles. In Oklahoma, we team with over 20 producer customers and we are one of the only midstream companies that has commercial agreements in place with the vast majority of major producers. This truly differentiates us in the market and provides us with an incredible growth trajectory in Central Oklahoma.

In the Barnett Shale, we have the largest midstream infrastructure position in the basin, including more than 4,000 miles of pipe and in excess of 1 Bcf a day of processing capacity. We were encouraged by Devon's announcement to invest approximately 50 million to apply advanced completion technologies to a base and that has yet to benefit from many of the current drilling and completion methods being applied elsewhere.

The potential here extends beyond just Devon and also to the many other operators with assets in the region. Devon recently announced the potential divestiture of certain properties in Johnson County, an area that was not competing well for ongoing capital investments in their portfolio. From an EnLink perspective, we could benefit from a transition of those assets from Devon to a producer who is committed to developing the area over the long term.

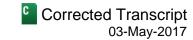
Finally, the third key to success is that we are executing with excellence. Year-to-date we successfully brought into full operations three large-scale organic projects. We brought our Greater Chickadee crude oil gathering system fully online in the Midland Basin and signed three new long-term fee-based contracts which will add to our sustainable volumes on the system.

We brought our Chisholm II gas plant into service increasing processing capacity by 200 million cubic feet a day in the STACK and added incremental customers and contracts to our expanding business there. And we brought the Ascension pipeline on line in Southeastern Louisiana which enhances NGL service offerings in the area.

In summary, EnLink is in the right places, operating with the right partners and executing with excellence. All three keys enable us to deliver results and deliver what we promised, sustainable long-term growth for the company. Our near-term vision is to continue to do what we have always done, by continuing to build and operate great infrastructure in the best basins in the country.

Longer term, we will pursue strategic opportunities, expanding across commodities and across the value chain, ultimately connecting all of our facilities through pipe and contracts that link our assets to top supply basins and

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premier demand markets. Our goal is to be the trusted energy company and we will do that by being devoted to our people, our partners and performance excellence.

With that I'll turn the call over to Mike.

### Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP

Thanks Barry and good morning everyone. As Barry highlighted, EnLink delivered solid results this quarter and we are on track and in line with where we expected to be at this time of the year. As you'll recall in our last earnings call, we told you that the first quarter 2017 would look a lot like fourth quarter 2016 and that's right about where we landed.

Adjusted EBITDA net to EnLink totaled \$207.6 million for the first quarter representing about 6.5% growth year-over-year and over the fourth quarter 2016. Included in EnLink's adjusted EBITDA for the first quarter is a 17.5 million gain related to a one-time item that we discuss more fully in our Form's 10-Q. It is also important to recall the comparative adjusted EBITDA results for the 2016 quarterly performance include contributions from non-core assets that have been subsequently sold. Our results reported for the first quarter of 2016 included approximately \$10 million in contributions related to those divested non-core assets and thus did not benefit our results for the first quarter of 2017.

ENLC achieved cash available for distribution this quarter, \$51 million, in line with our expectations and up 5% from this time last year. We expect that the majority of ENLC's cash available for distribution growth in 2017, [ph] be weighted (12:12) to the second half of the year in large part driven by segment profit growth on Oklahoma footprint. Volume growth in Oklahoma footprint for the first quarter was in line with expectations with average gathering, transmission and processing volume throughput up by approximate 11% for the quarter.

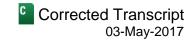
With the majority of rig additions occurring in the past four months, volume growth is expect to be weighted more towards the second half of the year. In the first quarter, a large percentage of the volume growth in Oklahoma was driven by volumes around our Cana facility; because this facility was operating below its minimum volume commitments, the volume growth did not produce corresponding margin growth this quarter.

We continue to expect the majority of growth in Oklahoma to be [ph] back-end weighted (12:56) in 2017, driven by the natural time lag of volumes associated with drilling activity. The connection of multi-well [ph] paths (13:03) to our system and the completion of previously drilled but uncompleted wells. However, the producer's results continue to get better each quarter as they move toward full field development. For example, Devon's Meramec wells completed during the first quarter and the core of the STACK average 1,900 boe per day.

This expected growth in our system allows us to reaffirm our financial guidance for ENLK and ENLC for 2017. These expectations continue to support the opportunity consider growing distributions at ENLK during 2018. And as we've stated previously, we do have the opportunity to commence distribution growth that the ENLC prior to ENLK.

One last item, I'd like to highlight is the recent upgrade by Moody's Investor Service of ENLK's Corporate Family Rating of BA 2 to BA 1 with a stable outlook. We view this is a very positive development and believe that it validates the financial strength we continue to prioritize [ph] mainly (14:03). We are committed to financial discipline and have strategically focused on lower risk, high return organic growth projects in our core areas.

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We remain committed to potential M&A, but we'll only do so where it makes solid accretive sense. You've seen us participate in the market, but we will continue to approach opportunities with an unwavering commitment to financial prudence, as we manage our opportunities set between potential acquisitions and the number of lowerrisk, high-return organic growth projects available within our footprint today.

I will now turn the call back to Barry for concluding remarks. Barry?

### Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Thank you, Mike. As you've heard, we continue to focus on delivering results with operational excellence, which is at the center of everything we do. We believe that's how we differentiate ourselves by continuing to drive excellence through execution and being the best in the basins in which we operate.

I'll close with touching on our greatest asset, our people. Our employees have the right drive and heart – what I'd call, heart ownership of EnLink. Heart ownership means that our teams have a strong ownership mentality, treating business decisions at every level as an owner would, but they do it with the devotion to who we do it with and for. This is our [indiscernible] (15:21) operate.

Because of this team, I have no doubt in what we can accomplish. EnLink continues to raise the bar on what we can achieve as an organization, and we will keep building and operating best-in-class infrastructure in the best places in the country.

With that, you may open the lines for questions.

### **QUESTION AND ANSWER SECTION**

**Operator:** Thank you. We will now begin the question-and-answer session. [Operator Instructions] At this time, we will pause momentarily to assemble our roster.

The first question will come from Darren Horowitz with Raymond James. Please go ahead.

#### Darren C. Horowitz

Analyst, Raymond James & Associates, Inc.

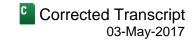
Good morning, guys. First question for me, as you guys are thinking about the STACK and I know we talked about this recently, but how do you guys continue to think about doing a plant on the other side of that high-pressure head or to have bidirectional capability and then taking that a step further? Maybe, an update with regard to how you see the evolution of what's going to be downstream of everything that you're doing in the STACK.

#### Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

Hey, good morning, Darren. This is Ben. Take those in pieces. I think, to expand a little bit on your question, I think, the first question about bidirectional flow capability, what you're talking about there is, the way our STACK system is configured, our high-pressure gathering trunk line generally gathers from the West toward the Chisholm

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plant in the East, and I think what we've talked about before is the potential to site a plant further to the West, which would effectively give you the ability to go both ways bi-directionally on the high-pressure system.

The answer to your question broadly is, the location of the next plant is something that we don't have to decide today. We just brought online the Chisholm II plant at basically April 01. We have the Chisholm III plant coming online after that. And so we're not at a point today where we need to decide where the next plant would go, whether it's in the Chisholm area or whether it's back further to the West.

Some of the things that we will think about though in siting that next plant really gets to the second part of your question which is what's downstream of those plants. Over the course of the quarter, you saw Cheniere announce their Midship pipeline project, that will be connecting to both our Cana and our Chisholm complexes, and so I expect our customers will want to have access to that pipeline wherever we put our next plant. So that will go into our calculus.

And on the NGL side, we are not today announcing a resolution of the question of how we handle our Oklahoma NGLs. We're continuing to work on that and getting closer day by day to that answer, but I think we need to have that answer as well before we can decipher where we would site the next plant.

#### Darren C. Horowitz

Analyst, Raymond James & Associates, Inc.

If the answer to that, Ben, includes getting those NGLs down to Mont Belvieu and ultimately hooking it in to Cajun, like you guys have talked about, how do you view current capacity on Cajun, maybe the opportunity incrementally to expand it and how you would think about scoping that project as volumes theoretically could grow meaningfully into that line and move further east.

#### Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

I'm going to start, Darren, and just say, to be clear, there's no question that the solution for NGLs in Oklahoma involves connecting them to Cajun-Sibon. The only question is, what's the most economic way to do that? Whether it's through third-party infrastructure or through a project that we developed either on our own or with partners. And then I'll let Mac comment on the Cajun-Sibon side of it.

#### McMillan Hummel

EVP & President-Natural Gas Liquids and Crude Oil Business, EnLink Midstream Partners LP

Yeah, Darren, good morning. The evaluation that we will undertake as we look at that is whether it's best for us to deal with those NGLs in Mont Belvieu, or if it's best for us to deal with those NGLs in Louisiana. So, we'll simply make an evaluation of where we think the most economic place for us is from a facility perspective and from a strategic perspective in the context of what the market conditions look like.

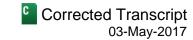
To the extent that it makes sense for us to look at moving those barrels into Louisiana, one of the things we would look at of course is the looping of the Cajun-Sibon pipeline. The other thing we would look at is, we've talked about our ability to take underutilized gas assets and turn them into liquids assets, whether those are crude – whether those would move crude or whether those would move NGLs. So we would also evaluate our ability to do that.

#### Darren C. Horowitz

Analyst, Raymond James & Associates, Inc.



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Okay. I appreciate the color and then the last question for me, more housekeeping, Mike, is the \$17.5 million gain on litigation settlement that benefited adjusted EBITDA this quarter, is that included in your full-year 2017 EBITDA guidance?

#### Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP



Hey, good question. So, when you think about our guidance when we put that out, that gain was not included and then when you break apart that gain, you can think of it in two term – two pieces, right. You can think of it in EBITDA piece and the DCF.

On the DCF standpoint, of the \$17.5 million, only \$5 million ran through DCF and how we thought about that was really allocating between what was margin and what was property. What drove this ultimately is, again it's a gain on settlement of litigation. It's something that's historical and still ongoing, but again, we have a confidentiality around it so, again, I'll point you to the 10-Q for more information.

Darren C. Horowitz

Analyst, Raymond James & Associates, Inc.

Okay. Thank you very much.

Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP



Yeah

Operator: The next question will come from Jeremy Tonet with JPMorgan. Please go ahead.



Good morning, guys. This is [ph] Rahul (21:31) on for Jeremy actually. So, first – thanks for taking my questions here. The first one, so one of your competitors has announced a gas-takeaway solution out of STACK this morning. I would like to hear your comments on that and what – do you see the need for additional solutions of such sort in the basin, given you guys are like a major player there as well?

#### Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

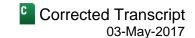


Hey, good morning. Good morning, [ph] Rahul (21:51), it's Ben. Yeah, we did see that announcement this morning from Enable about their rich gas-takeaway solution from the Anadarko and I understand the question, what does it mean for us. And the short answer is, it really doesn't mean anything for us.

Our system is distinct from Enable's system. Our customer base is distinct from their customer base. And so, the question that we have to answer is, where do our particular producers want their products, both residue and NGLs. And similar to the way that I addressed Darren's question, we don't have perfect clarity on that where we are today.

One thing we need to resolve is our NGL solution in Oklahoma, so that we understand what our downstream picture in Oklahoma looks like, versus our downstream picture in north Texas. So a rich gas connection between Oklahoma and North Texas is something that we're still considering and we still think that there is ample scope in

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the market for us to build that project, if it's what makes sense; and if it doesn't make sense, then instead we'll build processing in Central Oklahoma.

Q

Good. That's really helpful color there, Ben, thanks. And one other thing – question here, on the Permian side, like we have seen like high levels of M&A activity recently, so is it possible for you to discuss what like if anything – seen any interesting opportunities coming your way or is there anything worth pursuing at this point your thoughts there?

<A – [0046HJ-E Barry Davis]: Yeah. Thank you, [ph] Rahul (23:41). This is Barry. First of all, let me just assure you that we are very involved and very informed as to all of the M&A that you've seen and that you refer to in the Permian and elsewhere, quite frankly. What we would say is that this is a very escalated market from a valuation standpoint. We see a ton of capital of different sorts quite frankly, than what we've seen in the past.</p>

And so we think for a project to make sense, you got to have a lot of synergy and a lot of vision as far as what you're going to do with longer-term and I think that's the nature of the deals that you've seen recently.

Let me just say that we're going to continue to be disciplined. We're going to continue to be active and we're going to stay focused on the projects that we have. And let me just ask Ben if he has some additional comments specifically on that.

Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

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Yeah. I agree completely with what Barry said and without getting into the specifics of any particular deal, I would say that the valuations that we have seen over the last couple of quarters have been very robust for M&A. And I think that what that reflects is a growing conviction in the marketplace that there are a very small number of places that you want to be as a midstream services provider.

If the Permian, if the STACK – to some extent maybe the [indiscernible] (25:08), it's a very small number of basins and what you are seeing is scarcity value in the market for the small number of transactions that were available in those basins. We are fortunate because we went into the downturn all the way back in the fall of 2014, intentionally repositioning the company through the downturn in the best basins in the country, using the downturn and the less competitive M&A environment that was present at that time as a way to do that. And so through that downturn in a series of transactions, we built our West Texas platform and we built our Oklahoma platform.

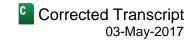
So we are fortunate that we've already done what others are now trying to do, which is to reposition in the very best basins in North America.

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Got you. That's really helpful. Thanks a lot, guys. That's it from me.

Operator: Our next question will come from David Amoss with HEA. Please go ahead.

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#### David Meagher Amoss

Analyst, Heikkinen Energy Advisors LLC

Good morning, guys. Appreciate the commentary on Permian M&A and just thinking about how you've been able to grow organically there, can you talk about the processing footprint that you have currently, what the expansion capacity would be and how much CapEx like you announced the 30 million a day expansion today for \$10 million which looks like a great deal. How long can you do that for before you have to spend another order of magnitude

Steve J. Hoppe

on the CapEx side?

EVP & President-Gas Gathering, Processing and Transportation Business, EnLink Midstream Partners LP

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Hey, David, this is Steve. So, let me kind of just walk you through in the Delaware Basin where we've had the recent expansion announcements; where we're at there. We started out with the Matador acquisition with the 35-million-a-day plant. We've installed a 60-million-a-day plant that with the Lobo II facility, that is the next expansion we'll do. We'll take that facility up to 120 million a day. That will be done this year. And then we've got another step, another addition to that, of 30 million. What that will do is take that facility up to 150 million a day. In addition to Lobo I, which was 35 million a day, that will put us at \$185 million a day.

So, when you look at those steps, that's the sequence of capacity that we'll add this year. So we'll have it in by the end of the year and then we're looking at the next phase right now of planning for a Lobo III facility and we're trying to project the timing and the needs of that right now. But what we're thinking on that is an order of magnitude very similar to what we did at like a Riptide where we add a facility that is 100 million initially, but expandable to 200 million.

So, we're managing the capital very efficiently by adding the capacity and putting in facilities that are easy to expand as the volume start to materialize. And that's the progression that you're going to see in the Delaware Basin. Where we're at in Midland Basin today, we've got the Riptide that came on last year; that put us at approximately 400 million of processing capacity. Our next step is to take Riptide to a 200-million-a-day plant. That would be about a \$30 million spend and that would add another 100 million, and that right now we've got — we're in a great place with our processing capacity and we don't have plans on that this year, but we'll start to look at that here probably in the fourth quarter as we see developments occurring and start that planning for next year.

David Meagher Amoss

Analyst, Heikkinen Energy Advisors LLC

Okay. That's really helpful thank you. Back to the Delaware, just one last one for me. Do you think – so, to the degree that you sanction Lobo III with 100 million a day initial, expandable to 200 million, can the customer base that you have signed up today take you that high or do you need to sign additional commercial contracts or potentially look at some form of M&A to get there?

Benjamin D. Lamb

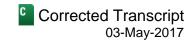
Executive Vice President of Corporate Development, EnLink Midstream Partners LP

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So when we are looking at the projections, I think what's important to understand is that the development itself is – the scale of the development is pretty impressive and you start to see the results that our producers are seeing out there. Seems like every quarter they're upgrading their tight curves and they're showing a much better spacing, much more denser spacing.

And when you take that into account we think that we've got the opportunity to justify those spaces with not only our existing customers, but with a small incremental opportunity. When you look at where we started, we were at

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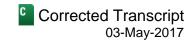


11,000 acres with the Matador acquisition. We've added 33,000 acres in the last 18 months and four new customers, and in addition to that, we've got a minimum volume commitment of 45 million a day.

And there's going to be opportunities that we see near-term for bolt-on and expansions that we're working on with our existing customers to add more capacity. So, I think it's really, David, it's a combination of both of those which is why when we look at our planning, we're sequencing that capital and that capacity in incremental steps to accommodate how we see development occurring on both our existing customers and our new potential opportunities.

| David Meagher Amoss Analyst, Heikkinen Energy Advisors LLC                                                                                                                                                                                                                               | Q                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| That's great color. Thank you.                                                                                                                                                                                                                                                           |                                   |
| Operator: The next question will come from Brian Brungardt with Stifel. Pleas                                                                                                                                                                                                            | se go ahead.                      |
| Brian Brungardt Analyst, Stifel, Nicolaus & Co., Inc.                                                                                                                                                                                                                                    | Q                                 |
| Hi, good morning guys.                                                                                                                                                                                                                                                                   |                                   |
| Benjamin D. Lamb  Executive Vice President of Corporate Development, EnLink Midstream Partners LP                                                                                                                                                                                        | A                                 |
| Good morning, Brian.                                                                                                                                                                                                                                                                     |                                   |
| Brian Brungardt Analyst, Stifel, Nicolaus & Co., Inc.                                                                                                                                                                                                                                    | Q                                 |
| Just start off here – just a modeling question here, regarding the plans to rede should we be thinking of that? Do you plan to expand the ATM or do you antic the current interest rate environment?                                                                                     |                                   |
| Michael J. Garberding President and Chief Financial Officer, EnLink Midstream Partners LP                                                                                                                                                                                                | A                                 |
| Yeah, Brian this is Mike. It's a good question. So, as you noted, we have put a Those are seven and eight notes where we have a right to call them. What ou those into the current rate environment. So again, our ATM plan for the year remillion to \$50 million per quarter for 2017. | r expectation is, is to refinance |
| Brian Brungardt Analyst, Stifel, Nicolaus & Co., Inc.                                                                                                                                                                                                                                    | Q                                 |
| Got you. And then just switching to the MVCs and appreciate the color on the confirm the approximate \$12 million recorded this quarter in Texas, is that print there in the Barnett?                                                                                                    |                                   |
| Michael J. Garberding President and Chief Financial Officer, EnLink Midstream Partners LP                                                                                                                                                                                                | A                                 |

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Yes. This is this is Mike again. So again you're referring to the MVC table in the 10-Q, and you're referring specifically to the MVCs related [ph] party (31:58) which is the Devon piece, and so the \$12 million relates to all the different MVC contracts we have in North Texas.

Brian Brungardt

Analyst, Stifel, Nicolaus & Co., Inc.

Got you. And then how should we be thinking of the increase in MVCs from last quarter and from 2016? Is it primarily driven by the underlying production volumes or more of the view that the customer doesn't execute on the makeup right provisions?

Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP



So this is Mike again. So there's – again, you point out two pieces to it. So, there is a 1/4 makeup with regard to the Devon MVCs, which is factored ultimately into the numbers you see.

But each of the MVCs is a little different on how to think about them. I'll use Cana as an example; because of the row drilling Devon's doing, you will see, you know, the Oklahoma related party go to where they're in a deficiency for a period of time. But once that row is completed and on, which is the Hobson row, and that's expected in the second quarter, you'll see that plant come back above MVCs.

[ph] Wex (33:05) is another one where you saw that below and you've seen the volumes come up on the crude side too. So, I would say that each is a little different when you think about those MVCs on how to project those forward.

Brian Brungardt

Analyst, Stifel, Nicolaus & Co., Inc.



Okay. And then I guess just lastly here, you've given your comments that Devon may be monetizing a portion of its Barnett acreage; any impact to the MVCs and do you anticipate maintaining existing contracts if there were to be a change of ownership?

Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP



This is Mike. Yes. So, no, there is not any anticipated changes to the contract. We disclosed early that the East Johnson has about a 7% piece of total North Texas revenues. So it is a small piece and that piece is covered by one of the Devon contracts. Today they're operating at or about the MVCs; it would be very little impact on that.

Brian Brungardt

Analyst, Stifel, Nicolaus & Co., Inc.



Got you. That's all I have. Thank you very much guys.

Barry E. Davis

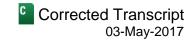
Chairman & Chief Executive Officer, EnLink Midstream Partners LP



Thank you, Brian.

Operator: The next question will come from Robert Balsamo with FBR. Please go ahead.

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#### Robert Balsamo

Analyst, FBR Capital Markets & Co.

Hi, good morning. Thanks for all the color today. I was wondering if you could go into any more detail on the contracts. So you had a number of new contracts announced, if you can give us any color on the magnitude or timing, kind of any ways to quantify some of that moving forward. I think about maybe additions to CapEx opportunities?

Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

Yes, Brian probably – this is Ben. There's probably a few of us who want to comment on that. I'll start from the perspective of Oklahoma and the first thing I'm going to do is to start off where were Barry ended his prepared remarks and talk about the quality of our team.

I think the commercial success that we have had in Oklahoma really speaks to the quality of our team, commercial, operations and engineering, and our ability to attract businesses, provide a great service, provide a cost competitive service and to do what we say we're going to do. And that has been manifested in continued commercial momentum in Central Oklahoma.

What we announced this quarter was the signing of a group of five contracts, each of which was with a producer that is new to us, a new customer on our system. And those contracts added about 20,000 gross operated acres. If you go back to February, we made two announcements. One was our Cedar Cove joint venture with Kinder Morgan, which behind it has 40,000 to 50,000 gross operated acres from one of the largest producers in the STACK, and also an expansion of our relationship with Newfield, who is an existing customer, but who dedicated additional acreage to us.

Across all of those contracts, just since the fourth quarter of last year, we've added somewhere between 80,000 and 100,000 acres in the STACK and companies get started off of less than that. So, very, very happy to see that continued commercial momentum. Those are overwhelmingly long-term, fee-based contracts and great areas with great partners.

Steve may want to comment from the Permian.

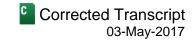
Steve J. Hoppe

EVP & President-Gas Gathering, Processing and Transportation Business, EnLink Midstream Partners LP

Yeah, Robert, I'll start in the Delaware. You know, we kind of just reiterate what I said earlier about the Delaware. Really within the last 18 months, we've added four new contract customers, and that's added 33,000 acres of commitments. Primarily, it's fee-based contracts. There's a little bit of POP contract in our mix, but it also has 45 million of volume commitments. So, as Ben said already, the team's done a great job, and when you think about in just a short amount of time, having entry into that basin and seeing success, and we see a lot of insight going forward into not only bolt-on opportunities now that we've got a good footprint in the Delaware, but also some step out and expansion opportunities that we're working on.

The capital is really – to the Delaware the projects that I just laid out and the incremental expansions that we have planned. When you look at the Midland Basin, in the quarter, we added five customers and six deals that made up about 15,000 acres. Now, overall, we consider our Midland Basin area to be – in our position to be in the core of the basin and you think about that addition, that now has taken us up to 340,000 acres in the Midland Basin, in that core area.

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So, again, we feel really good about not only our base position, but the expansion opportunities that we have seen this quarter and the ones that we're working on currently, and see additional opportunities. All of the capital associated in the Midland Basin is already built into our current forecast and into the numbers that you already have. So there won't be any incremental capital associated with that. So, it fits in well with our growth and expansion plans there. And Mac, you had some crude oil on Chickadee that you wanted to discuss as well?

#### McMillan Hummel

EVP & President-Natural Gas Liquids and Crude Oil Business, EnLink Midstream Partners LP

A

Yeah, that's right, Steve. Thanks. Robert, this is Mac and I did want to just mention about the new Chickadee contracts we entered into. But before I just wanted to step back and just make sure I give credit to the team with regards to the tremendous work they've done getting Chickadee not only off the ground, but literally in service and flowing for our customers.

The strategy on the crude site is playing out just like we expected it to. We ended with LPC, we said that was a platform, and that platform would now allow us to lever in the opportunities to put more pipe in the ground and move more crude by ground – by pipe over time, and that's exactly what's happening. The three contracts we entered into were a mix of new customers as well deepening relationships with existing customers on Chickadee.

So, I think what we're seeing is, we're seeing repeat business with existing customers, which I think is a great testament to the value they see in Chickadee and our ability to execute. We're now up to around 100,000 total acres committed to Chickadee on a long-term basis and those are all fee-based contracts.

#### Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP



Robert, there may be one element to your question that we didn't touch on across the three of us, and that's timing. And I would say, it's different in different places. In the Oklahoma set of contracts, of the five we signed, one of them is with a public company, but four of them are with private equity backed companies; and so inherently the timing is a little bit uncertain because what those companies tend to do is to appraise their acreage and then they may explore a sale. And if they're sold, then they're likely sold to someone who ramps production very quickly or if they stay private and perhaps look at an IPO path then that's a different production profile.

So, I think it's just a good opportunity to remind everyone of what we've been telling you for a couple of quarters now. Then in Oklahoma in particular our growth is going to be more in stair steps as acreage changes hands and as producers shift to full field development that will come on in bigger chunks at a time.

#### Robert Balsamo

Analyst, FBR Capital Markets & Co.

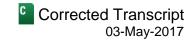
Great. That's all really helpful, guys, I appreciate all the color. Just a quick housekeeping item, I noticed the unit-based comp was up. I understand the contracts and then looking at just cash costs that were left, I know that was impacted by well year-over-year versus there were some acquisition costs left, you know, 1Q, 2016, anything else in there that might have been impacting the [indiscernible] (41:09) or are we looking at a decent run rate moving forward?

#### Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP

Α

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Yeah. This is Mike. I think you're looking at a decent run rate; you will see some issues with first quarter. You said – mentioned the comp especially where because of year-end stuff it's a little bit higher in the first quarter than it will be for the year, but overall from an SG&A you have a pretty good run rate.

I will mention from an OpEx standpoint, you do see a little bit elevated OpEx in first quarter mainly because of all the projects that came online that necessarily didn't mean we also got gross margin because of the timing when it came online, and so that will even out really over the second and third quarter.

Robert Balsamo

Analyst, FBR Capital Markets & Co.

Great, thanks. That's it for me. Thank you, Robert.

Operator: The next question will be from Matthew Phillips of Guggenheim Partners. Please go ahead.

Matthew Phillips

Analyst, Guggenheim Securities LLC

Touching on CapEx a bit more. The first quarter run rate was pretty high, but the full-year estimate didn't move up very much. Could you discuss a bit more the quarterly roadmap over the course this year on CapEx and how you expect that the flow through to cash flow guidance for this year and next year?

Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP

Yeah Matthew, this is Mike; good question. So, let me level that first as far as where we're at and I'll walk you through sort of how you can see the rest of year. But you know, Q1 spend on a gross basis was just south of \$250 million and the big driver there was all the projects we've talked about.

Right, was Chisholm II, which was Chickadee and Ascension. So we had three big projects all come on in the quarter right in line with what we expected. So, you know, great execution and that's what this year is about.

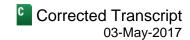
When you look on a gross standpoint, what our CapEx guidance was for the year was [ph] 610 to 770 (42:50). And again, I'm making the difference between gross and net because of, you know, marathon partnership with Ascension, NGP partnership with Delaware, and then just the Central Oklahoma capitals between ENLC and ENLK; so then gross versus net. So what you see for the rest of the year really is going to be driven by again some other big project we've talked about which is just Chisholm III and Oklahoma, which is the Lobo II continued expansion as Steve talked about in the Delaware, and other base business that we're seeing. So, I think what you'll see is sort of an average ramp through the year on CapEx. I do believe that we have a lot of great capital opportunities that, Steve, Mac and Ben have been talking about. You know, so we see that we have these continued capital opportunities and feel great about that, but overall, right in line with the range we gave you at the beginning of the year for capital.

Matthew Phillips

Analyst, Guggenheim Securities LLC

Great. Thanks for the color there. Going back to Oklahoma, appreciate the color on the MVCs on Cana as it relates to [indiscernible] (44:00) though, I mean it looks like the portion flowing to ENLC was a little bit below expectations. Could you comment there at all? I mean, I know it's more of a [indiscernible] (44:08) story, but I mean how do you expect 2Q to play out?

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#### Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP

Yeah. This is Mike again. It's a good question. So what you're referring to is the 16% that ENLC owns. And so what we tried to do is, we put some footnotes in the earnings release to give some additional color because there is some other items that you have to take in consideration when you look quarter-over-quarter. There is allocated G&A expense to that number and so we did footnote that. So, if you gross those numbers up for that allocated G&A Q4 to Q1, you're about in the same place is the way to look at it really from that piece of the [indiscernible] (44:48) which is in line with what we expected for the year. So, with the growth Ben talked about, which is stair step, and with the growth we expect which is more second half loaded, you will see that continue to increase through the year.

Matthew Phillips

Analyst, Guggenheim Securities LLC

Okay. Thank you.

Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

Thank you, Matthew.

Operator: Our next question comes from Shneur Gershuni with UBS. Please go ahead.

Shneur Z. Gershuni

Analyst, UBS Securities LLC

Good morning guys. Thank you for all the color and details. Most of my questions have been asked and answered. But I was wondering if we could just go back to two comments you made earlier; just one with respect to with M&A appetite and so forth. I definitely recognize you were active in 2015 and that public valuations are much higher today. Do you have the same view with respect to private assets because there seems to be a bunch of private assets that are owned for example on the Permian and so forth. Is that an area of interest or do you feel that valuations are pretty high there as well too?

Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

Shneur, its Ben. My comment, and I think Barry's comment earlier too really does apply to private assets. If you look at some of these deals that have been done recently, our view is, they were very fully valued and they were very fully valued because of the basins that that they are in.

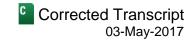
But as Barry said, we participate in most every asset that gets sold. What we have that may be different than others is good positions in great basins already in place, and so we feel perhaps a little bit less of the strategic imperative to get a deal done than perhaps some others may. And so we have the luxury of being able to be more disciplined because we've already done a series of deals to position ourselves in those spaces.

Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

And Shneur, the only thing I would add to that is, it really is kind of a tension between we're already there and so we don't have to do things, but the positive of that is, because we're there, we do have synergy, we do have

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opportunities to improve economics over time with execution. And so those – both of those things come into play and will continue to work with discipline.

Shneur Z. Gershuni

Analyst, UBS Securities LLC

Great. As a follow-up question about the Enable announcement this morning, it certainly seems like an elegant solution in terms of some of the issues that producers are facing and so forth and being able to react quickly, if memory serves me correct, I believe you've been talking about some similar solutions in the past; can you give us an update with respect to you are with pursuing something with similar characteristics.

Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

Yeah Shneur, it's Ben again. You're right. Connecting our Oklahoma gathering and processing assets with our North Texas gathering and processing assets is something that we have looked to do for a while now. But really the question is, where do our particular customers want their residue gas? Where does it make sense for us and our customers to have our NGLs and with the dynamics that we are seeing in central Oklahoma, specifically in STACK in Blain, Canadian and Kingfisher counties, we have not yet had clarity that would say that the right solution is to connect the basins.

We see the potential for that, but we need to see what our NGL solution is going to look like out of Oklahoma, and we need to have the residue market develop a little bit with the Cheniere announcement and some other announcements that have happened in Oklahoma for us to have that clarity. Fortunately, with Chisholm II having just come online and with Chisholm III coming online later this year, we are not at a decision point right now for what the next tranche of processing capacity needs to look like in Oklahoma.

Shneur Z. Gershuni

Analyst, UBS Securities LLC

Okay. And just sort of thinking a little bit further here, because if this sort of trend – if it turns into a trend develops, would the NGL takeaway solutions really need to be in Texas rather than out of the scoop STACK area basically? I mean, is that really what we're effectively doing is moving the unprocessed hydrocarbons further down?

Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP

That's right. You're displacing the hydrocarbons, both residue gas and NGL, out of Oklahoma and into Texas. And you would only do that if you believed that the hydrocarbons were going to be more valuable in north Texas in an amount that justifies the excess capital that it takes to build a pipeline, versus building processing in Oklahoma. There is ample NGL takeaway from north Texas today, just as there is in Oklahoma. And so really the question is relative value of the products in those two places.

Shneur Z. Gershuni

Analyst, UBS Securities LLC

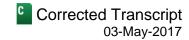
All right. Thank you very much. I appreciate the color, guys.

Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Thank you, Shneur.

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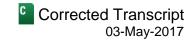


| <b>Operator</b> : Next up is Ethan Bellamy with Baird. Please go ahead.                                                                                                                                                                       |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Ethan Heyward Bellamy Analyst, Robert W. Baird & Co., Inc.                                                                                                                                                                                    | Q           |
| Hey, guys. The sinkhole settlement was a nice little piece of [ph] fun (50:06) money in the further do you guys have to go on recovering those costs incurred on that end? And is the see that in the balance of the year?                    | •           |
| Michael J. Garberding President and Chief Financial Officer, EnLink Midstream Partners LP                                                                                                                                                     | A           |
| Hey, Ethan. This is Mike. Nice reading. So for us, again, it's a confidential settlement. It's ongoing, and we really can't give any color on where that will end. We're happy it continuand so that's probably the easiest way to answer it. | <u> </u>    |
| Ethan Heyward Bellamy Analyst, Robert W. Baird & Co., Inc.                                                                                                                                                                                    | Q           |
| Have you previously quantified the cost of that somewhere?                                                                                                                                                                                    |             |
| Michael J. Garberding President and Chief Financial Officer, EnLink Midstream Partners LP                                                                                                                                                     | A           |
| We've talked about it originally when it occurred, which would be years ago, but have not                                                                                                                                                     | since then. |
| Ethan Heyward Bellamy Analyst, Robert W. Baird & Co., Inc.                                                                                                                                                                                    | Q           |
| Okay. Thank you very much.                                                                                                                                                                                                                    |             |
| Operator: The next question will come from Chris Sighinolfi with Jefferies. Please go ah                                                                                                                                                      | nead.       |
| Christopher Paul Sighinolfi Analyst, Jefferies LLC                                                                                                                                                                                            | Q           |
| Hey, good morning, guys.                                                                                                                                                                                                                      |             |
| Barry E. Davis Chairman & Chief Executive Officer, EnLink Midstream Partners LP                                                                                                                                                               | A           |
| Good morning, Chris.                                                                                                                                                                                                                          |             |
| Christopher Paul Sighinolfi Analyst, Jefferies LLC                                                                                                                                                                                            | Q           |
| Barry, you had mentioned in the prepared remarks, and I just want to circle back on the s volumes. Just a question – I know the guidance you had put forth, I think, originally in Jar                                                        | _           |

fourth quarter showed or indicated maybe some decline in the G&P volumes in Louisiana.

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Obviously, we had sequential increase here in the first quarter. I think it's the highest quarter you guys have recorded. So just curious, any change in outlook or things that maybe impact 1Q we should pay attention to through the balance of the year?

McMillan Hummel

EVP & President-Natural Gas Liquids and Crude Oil Business, EnLink Midstream Partners LP

A

Chris, this is Mac. Yeah. We've had – we've had a very good continuation of volume growth and volume performance in our Louisiana gas business. As you'll recall, when we did our guidance for 2017, we mentioned the fact that we had seen some interruptible volumes come into the system in a very significant way and when we put guidance together and plans together for 2017, we did not continue to include those in our 2017 numbers.

I'm happy to say that the team continues to execute very well on capturing both new demand that's just being created in Louisiana as well as lever ourselves into existing demand that we weren't currently serving as well as continuing to have robust interruptible volumes flowing through our system. While I can't predict what's going to happen the balance of the year. I am expectant of our team's continued success in keeping those volumes on our system.

Christopher Paul Sighinolfi

Analyst, Jefferies LLC



Okay great thanks for the reminder on that. So, it's still sort of an interruptible delta relative to what was guided, but not necessarily confidence to assume that continue. Is that fair conclusion?

McMillan Hummel

EVP & President-Natural Gas Liquids and Crude Oil Business, EnLink Midstream Partners LP



Yeah Chris, we see both. We see growth in long-term committed volumes and – of a firm nature, but the preponderance of the difference continues to be interruptible volumes that we just don't quite have the tenure with to forecast with great confidence.

Christopher Paul Sighinolfi

Analyst, Jefferies LLC



Okay. Now that's fair. That's perfect thanks. I guess completely separately, Barry, I liked your phrase, the escalated market that's out there now, evidenced by some of the transactions and I thought Ben did a great job sort of explaining the nature of why and when you guys had repositioned your asset base versus what's present in the market now. Just curious as it pertains to that, are there any – I know you guys divested some non-core assets, but it does the market ever reach a point where there are aspects of your portfolio that you're not going to necessarily develop on in a time profile that would make sense where a third party might be willing to pay upfront significant sums worth. Is there anything that you entertain pruning at this point or are we too premature to think that way?

Barry E. Davis

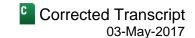
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Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Yeah. Chris, this is Barry and what I would say is, we like where we are. We're in the right places. And I think again, Ben did a great job of defining how we got there over the last three years.

So, those core areas will be places that we continue to grow. And so we're not contemplating participating in what might be a seller's market if you will, in those core areas that we've described as you know five basic areas.

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Anything that's outside of that, certainly is possible not unlike what we did last year, we'll continue to evaluate anything that's outside of that. We don't have much outside of that, but we certainly will continue to look at that.

I will say though that I don't believe you see the same elevated valuations in areas outside of our core areas. Again, Ben described it very well; that's where people want to be and that's why you have elevated valuations there and in other places you really don't see that.

Christopher Paul Sighinolfi

Analyst, Jefferies LLC

Okay great. Thanks again for the time.

Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Α

Thank you, Chris.

**Operator**: The next question is from Craig Shere with Tuohy Brothers. Please go ahead.

Craig K. Shere

Analyst, Tuohy Brothers Investment Research, Inc.

Thanks. Most of the questions already been answered. One clarification on all the questions around the options to connect what gas from the STACK down to North Texas or just build out more processing in Oklahoma. Is that decision timing something that you would anticipate next year or because of the time it takes to really develop this especially if you're going to have a pipeline connection. Do you need to start thinking about it more in the second half of this year?

Benjamin D. Lamb

Executive Vice President of Corporate Development, EnLink Midstream Partners LP



Yeah, Craig, you're right. It does take time to develop; whether it's a pipeline project or is to construct a gas plant, those things do take time. And so I do expect that later this year, we will need to have more clarity on where we see the next tranche of processing capacity needing to be. I do think it's this year as opposed to next year.

Craig K. Shere

Analyst, Tuohy Brothers Investment Research, Inc.



Fair enough. Look forward to hearing some updates on that in coming quarters.

Operator: Thank you. Our next question is from John Edwards of Credit Suisse. Please go ahead.

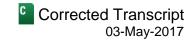
John Edwards

Analyst, Credit Suisse Securities (USA) LLC (Broker)



Good morning everybody. You may have already covered this because I came on the call late, so I was just wondering on the litigation settlement. I mean obviously you know, sinkhole related and so on, but part of it you added \$17.5 million in EBITDA, but then backed out \$12.3 million from DCF, leaving you know five cash related. And if you already talked about this or you want to take it online because it's pretty detailed would be fine. But this is maybe the preliminary answer on that or – and I apologize if you already answered this.

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#### McMillan Hummel

EVP & President-Natural Gas Liquids and Crude Oil Business, EnLink Midstream Partners LP

John, it is fine. Real quick and it really is an allocation of margin versus property is what it is. But what we can do is follow-up and walk you through it if you have further questions.

#### John Edwards

Analyst, Credit Suisse Securities (USA) LLC (Broker)

Okay. And then I guess the other issue is obviously one of your competitors announced this morning, taking – is similar to what you proposed, taking gas to spare processing in Texas and you had hinted at that sort of approach at your Investor Day. So I'm assuming that's something you're still looking at. And again, apologies if you already sort of talked about this.

#### Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Yes. John, this is Barry. And we did I think discuss that in depth and so I would encourage you to maybe look back at that or we can talk to you offline. The short answer is, the third party that announced the project has a unique system, unique to ours, unique producers, supply they're dealing with, et cetera. We don't believe it has any impact on our project and we still have the opportunity to do that, if it makes sense. So, further to that, why don't we talk offline to discuss it further?

#### John Edwards

Analyst, Credit Suisse Securities (USA) LLC (Broker)

Okay, great. Thanks. And congrats on a nice quarter.

#### Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Thank you, John.

Operator: The next question will come from Barrett Blaschke with MUFG Securities.

#### Barrett Blaschke

Analyst, MUFG Securities America, Inc.

Hey, guys, just on the new Delaware contracts a little detail question. It's a largely fee-based, is there another component that's volumetric or commodity-sensitive that's going to be a part of those contracts? And can you tell us a little bit about what you're seeing as far as contracting trends in the play?

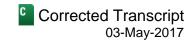
#### Steve J. Hoppe

EVP & President-Gas Gathering, Processing and Transportation Business, EnLink Midstream Partners LP

So, Barrett, good morning. This is Steve. Of those contracts we have one that's a POP contract. So it's got a little bit of commodity exposure to it. As you know, a POP contract is, we get a percentage of the plant products both the residue and the NGLs.

Really your question about what are we seeing in trends, it really depends on the producer and how they're looking at their – how they want to structure their deals. We see a lot of producers in the Midland Basin wanting to have a POP-type structure and have us share the commodity risk with them in the Delaware Basin. We're

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probably seeing them lean more to fee-based. We keep ourselves open to basically what we can do to serve the customer the best and manage our risk, so we're really looking at all types of contracts and contracting structure and where we're looking at what we can do to be competitive. So we're open to a broad range of opportunities in structuring our contracts and think that's going to be key in the Delaware Basin going forward.

Michael J. Garberding

President and Chief Financial Officer, EnLink Midstream Partners LP

A

And Barrett, this is Mike. I mean, if you look from a company standpoint, we're still tracking in about 95% fee base. So, still it's a very small piece of what we're doing on an overall business.

Barrett Blaschke

Analyst, MUFG Securities America, Inc.

Okay. And then just sort of looking at the Barnett and Devon rationalizing its ownership a little bit, have you guys got any idea as to who, sort of, who the potential buyers are and how that could potentially impact volumes?

Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP



Yeah, Barrett. This is Barry. First of all, let me say that this was not a surprise to us. We spend a lot of time with Devon on the Barnett property. Our teams work very closely together. So this is something that we were very familiar with. We do have a feel for what that process will look like and who the potential buyers are. There are a few – a handful of operators who are trying to enter the Barnett. They see it as an opportunity for a place to develop versus someone like Devon, who has other places that are higher economic returns for them.

So, as we said in our prepared remarks, we believe that there is opportunity to the upside for us to see someone come in here and be active in an area that Devon is not and was not going to be active. So, we really get the combination of a new operator, plus Devon becoming more active in the northern part of the Barnett. So, we're optimistic that we'll see some benefit from this.

Barrett Blaschke

Analyst, MUFG Securities America, Inc.



Is there an expectation that you would see new operators come in and do refrac or would it just be simply taking over the properties and trying to optimize what's there today?

Steve J. Hoppe

EVP & President-Gas Gathering, Processing and Transportation Business, EnLink Midstream Partners LP



Barrett, this is Steve. I think Johnson County has got a lot of opportunity for not only refrac, but for new location drills. And if you look at some of the other assets that have been sold recently in the Barnett, the people entering that are looking at applying new drilling techniques, looking at new fracking techniques, and putting those into the Barnett to see what kind of results they can derive.

And it's really going to be, from our perspective, a focus on how those producers – how these assets fit in their portfolio, and we're very optimistic that when you apply those new techniques, you're going to see some great results from the wells. So I would say both opportunities exist in Johnson County.

Barrett Blaschke

Analyst, MUFG Securities America, Inc.



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Corrected Transcript 03-May-2017

Okay. Thank you.

Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Thank you, Barrett.

Operator: Ladies and gentlemen, this concludes our question-and-answer session. I would like to turn the conference back over to Barry Davis for any closing remarks.

Barry E. Davis

Chairman & Chief Executive Officer, EnLink Midstream Partners LP

Thank you. I would like to thank everyone who has joined us on the call today. As you can tell, we've got a lot going on and we look forward to our crossing of paths as we go through the days ahead and updating you on our second quarter results in early August. So thank you again and have a great day.

Operator: And thank you, sir. The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.

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